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Economic Conditions Report

Maricopa County

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ABOUT THIS REPORT

This report was created to assist Arizona Local Workforce Development Areas in completing their PY2020-PY2023 Local Workforce Development Plan Modifications. The report summarizes key demographic, labor market, and workforce trends in the state and local economy. The information provided in this report is intended to be a resource for local workforce information board members and workforce practitioners during the local workforce planning process.

ABOUT THE ARIZONA OFFICE OF ECONOMIC OPPORTUNITY

The Office of Economic Opportunity (OEO) was created to strengthen the analytical capabilities of the state's workforce and economic development initiatives. OEO serves as Arizona's workforce planning coordinator, and in this role, provides operational, strategic and research support to the Workforce Arizona Council and other key workforce partners. OEO produces official statewide data for population, employment, and wage estimates including the official Arizona employment and population projections. OEO also functions in an advisory capacity by providing economic expertise to state and local government agencies and officials.

OVERVIEW

Maricopa County's economy includes a wide range of industries offering opportunities for individuals seeking employment of all types.

Positive economic and workforce trends in Maricopa County include:

- Median Household Income in Maricopa County increased from \$65,252 in 2018 to \$68,649 in 2019.
- Labor force participation grew by 0.5 percent from 2018 to 2019.
- The unemployment rates across all educational attainment level are less in Maricopa County when compared to the statewide rates.
- From 2014-2019, all ten major private sector industries recorded positive employment growth.
- Employment growth is projected to grow from 2020 to 2022 in all industries except for Government and Natural Resources and Mining. Leisure and Hospitality is projected to lead growth, increasing 13.2 percent annually during this time period.

Economic and workforce challenges that occurred in Maricopa County include:

- Maricopa County has a slightly higher population of uninsured (12 percent) when compared with Arizona (11 percent). Both Maricopa County and Arizona have a higher rate of uninsured when compared with the United States (9 percent).
- The unemployment rate for residents of Maricopa County with a Bachelor's Degree or higher increased by 0.3 percent from 2018 to 2019.

POPULATION

Population Growth by County, 2015-2020

Area	Population Estimate (2015)	Population Estimate (2020)	Numeric Change (2015-2020)	Annualized Percent Change (2015-2020)
Arizona	6,832,810	7,421,401	588,591	1.7%
Apache County	71,026	71,875	849	0.2%
Cochise County	126,594	127,450	856	0.1%
Coconino County	139,100	142,481	3,381	0.5%
Gila County	53,020	54,303	1,283	0.5%
Graham County	37,888	39,211	1,323	0.7%
Greenlee County	9,587	9,341	-246	-0.5%
La Paz County	20,476	21,480	1,004	1.0%
Maricopa County	4,174,423	4,579,081	404,658	1.9%
Mohave County	204,890	217,206	12,316	1.2%
Navajo County	107,695	112,112	4,417	0.8%
Pima County	1,009,490	1,061,175	51,685	1.0%
Pinal County	405,922	480,828	74,906	3.4%
Santa Cruz County	46,493	46,808	315	0.1%
Yavapai County	221,019	240,226	19,207	1.7%
Yuma County	205,187	217,824	12,637	1.2%
United States	320,738,994	329,484,123	8,745,129	0.5%

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates
Office of Economic Opportunity

Changes in population can have a large impact on a local economy. An area experiencing population growth, particularly growth in working-age populations, may experience an increase in economic activity¹ and workforce diversity.

- Arizona's population grew by 1.7 percent annually between 2015 and 2020.
- Between 2015 and 2020, Maricopa County represented 68.8 percent of Arizona's total population growth.
- Out of the fifteen counties, Maricopa County experienced the second largest percentage population growth, increasing by 1.9 percent annually from 2015 to 2020.
- Maricopa County remains the county with the highest share of the population, continuing to represent over 60 percent of Arizona's total 2020 population.

¹ Headey, D., & Hodge, A. (2009). The Effect of Population Growth on Economic Growth: A Meta-Regression Analysis of the Macroeconomic Literature. *Population and Development Review*, 35(2), 221-248. Retrieved from www.jstor.org/stable/25487661

Maricopa County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2020	4,436,908	70,325	1.6%	20,069	49,105
2021	4,506,505	69,597	1.6%	20,052	48,329
2022	4,575,603	69,098	1.5%	20,033	47,780
2023	4,644,283	68,680	1.5%	19,976	47,345
2024	4,712,612	68,328	1.5%	19,870	47,022

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

Source: Office of Economic Opportunity, 2018 to 2055 Population Projections Medium Series

Population projections provide useful insight into an area's future demand for resources and services.² An area experiencing population declines may choose to focus efforts on filling current job positions, while an area experiencing population growth may choose to focus on job creation. Further analysis into the composition of growing or declining populations can be a useful next step.

- Arizona is projected to add 507,368 people to its population from 2020-2024, growing by an annualized rate of 1.5 percent.
- Maricopa County population is projected to add 346,028 people to its population from 2020-2024, representing 68% of total projected population growth for the state.
- A majority of Maricopa County's population growth, is projected to come from people migrating into the county from other Arizona counties, U.S. states or foreign countries.

Population Characteristics, 2019

Indicator	Maricopa County	Arizona	United States
Population over 16	3,553,180	5,820,607	263,534,161
Civilian Labor Force Participation Rate 16 and Over	65%	60%	64%
Median Household Income	\$68,649	\$62,055	\$65,712
Poverty Rate	12%	14%	12%
Median Age	36.9	38.3	38.5
Individuals with a Disability	11%	13%	13%
Uninsured	12%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2019 1-Year Estimates
Office of Economic Opportunity

It is important to understand the employment barriers faced by those served when developing workforce strategies. Population characteristics can help illuminate vulnerable segments of an area's population. An area with population characteristics that are significantly different than state or national averages, may need to consider specific approaches on how best to meet the needs of their unique population.

- Median household income in Maricopa County was higher than in Arizona or the United States.

² Kaneda, T. & Bremer, J. (2014). "Understanding Population Projection: Behind the Numbers. Population Reference Bureau". Retrieved from <https://www.prb.org/united-nations-population-projections/>

- Median age was lower in Maricopa County than in Arizona or the United States. This likely contributed to labor force participation rate being substantially higher in Maricopa County than in Arizona.
- Individuals with disabilities represented a smaller share of total population in Maricopa County than in Arizona or the United States.
- The rate of uninsured people in Maricopa County was slightly higher than in Arizona, and 3 percentage points higher than the United States.
- Maricopa County's poverty rate was the same as the national rate, but lower than Arizona's poverty rate.

Highest Educational Achieved, 2019, Population 25 and Older

Indicator	Maricopa County	Arizona	United States
Less than High School	5%	5%	5%
High School Graduate (includes equivalency)	22%	24%	27%
Some College, no degree	24%	25%	20%
Associate's Degree	9%	9%	9%
Bachelor's Degree	21%	19%	20%
Graduate or Professional Degree	12%	11%	13%

Source: U.S. Census Bureau, American Community Survey, 2019 1-Year Estimates
Office of Economic Opportunity

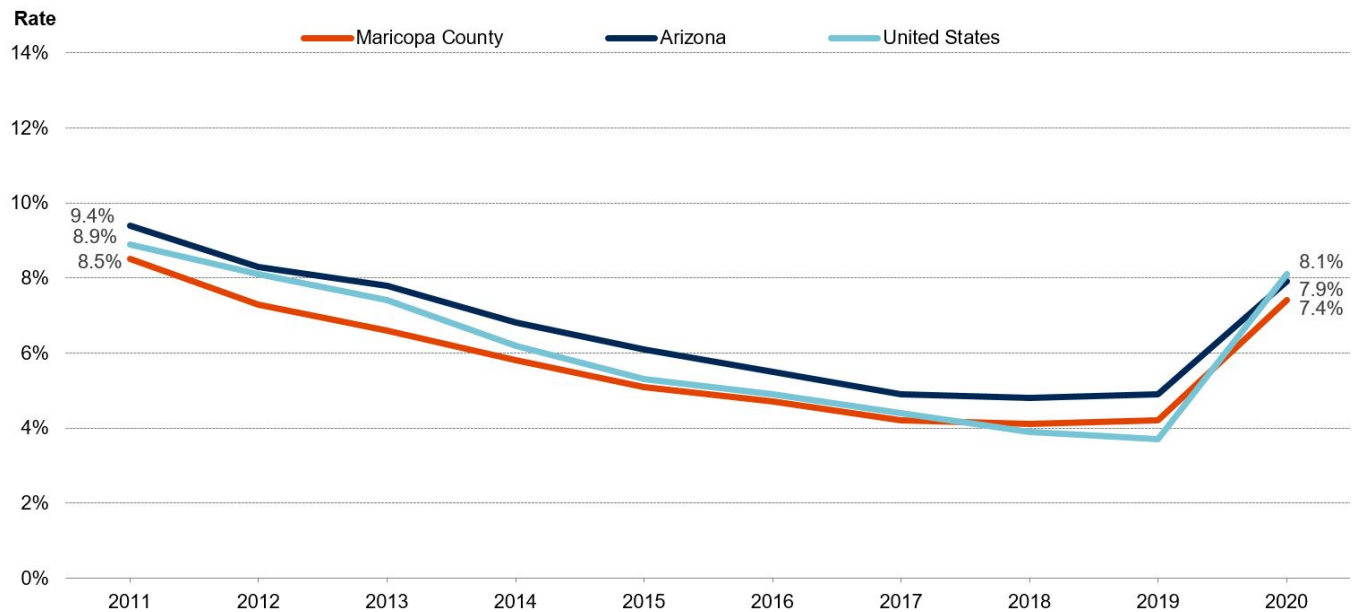
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.³

- People with a bachelor's degree (21 percent) represented a larger share of total population in Maricopa County when compared with Arizona and the United States.
- A third of Maricopa County residents had a bachelor's degree or graduate or professional degree, equal to the United States.
- The overall number of people with a bachelor's degree or higher has increased over the past five years.
- Eighty-eight percent of all Maricopa County residents 25 and older have graduated high school, the same as the statewide rate.

³ U.S. Bureau of Labor Statistics. (2019) "Unemployment Rates and Earnings by Educational Attainment." Retrieved from <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>.

WORKFORCE

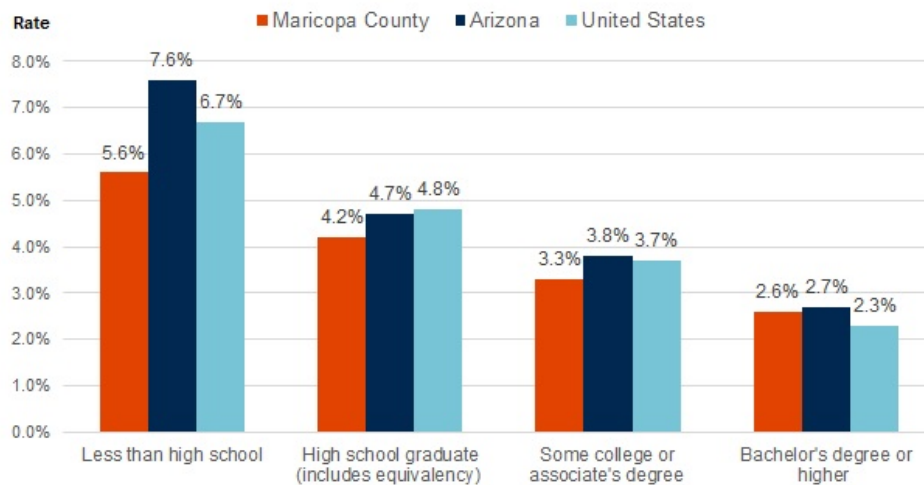
Unemployment Rate Comparisons, 2011-2020, Not-Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics
Office of Economic Opportunity

- Maricopa County's unemployment rate since 2011 has trended closely with the national and statewide rates.
- Maricopa County's unemployment rates have generally been lower when compared with the state and nationwide rates.

Unemployment Rate by Educational Attainment, 2019, Ages 25-64



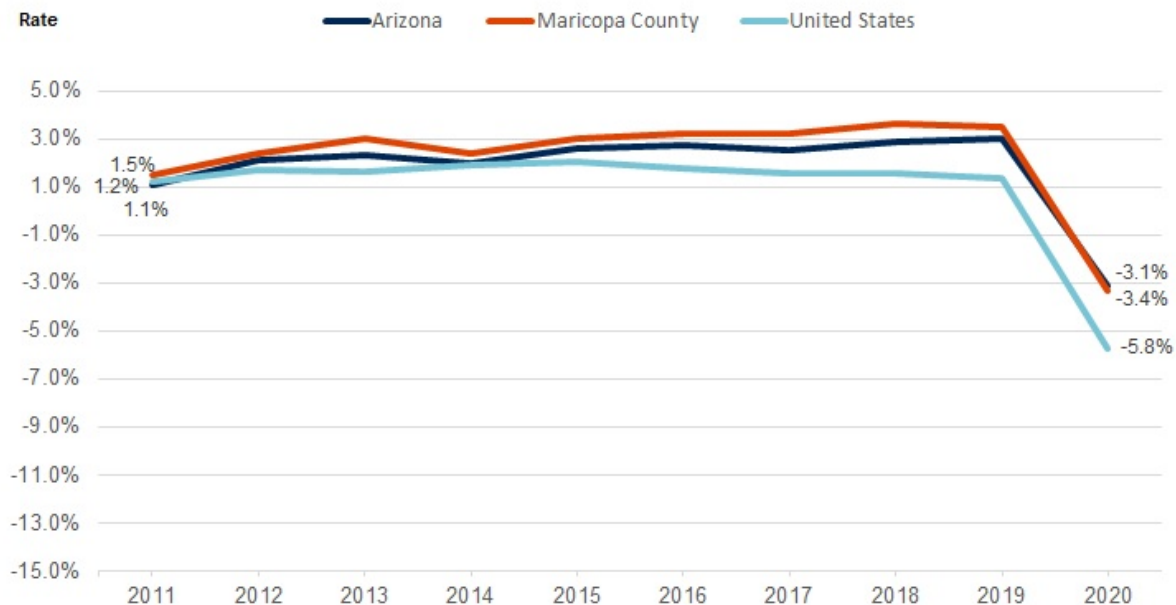
Source: U.S. Census American Community Survey, 2019 1-Year Estimates
Office of Economic Opportunity

Historically, the higher one's education level, the less likely one is to be unemployed.⁴ Knowing the percentage of people unemployed by education level within a local area can help determine which education levels are most in need of targeted workforce development.

- Unemployment rates across all educational attainment levels were lower in Maricopa County when compared with the Arizona unemployment rates.
- The unemployment rate for individuals with less than a high school diploma was dramatically lower within Maricopa County (5.6 percent) compared with Arizona (7.6 percent) or the United States (6.7 percent).
- The unemployment rate in Maricopa County for someone with a bachelor's degree or higher (2.6 percent) is higher than the national rate (2.3 percent).

⁴ National Center for Educational Statistics. (2019). "Employment and Unemployment Rates by Educational Attainment." Retrieved from https://nces.ed.gov/programs/coe/indicator_cbc.asp

Nonfarm Employment Year-Over-Year Percentage Change, 2011-2020, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics
Office of Economic Opportunity

- From 2011 to 2020, average total nonfarm employment in Maricopa County increased by 380,220 jobs, or an annualized rate of 2.3 percent. Maricopa County's nonfarm employment growth was higher than the statewide rate over the same time period.
- Since 2011, the rate of nonfarm employment growth in Maricopa County generally trended above Arizona and the United States.
- From 2019 to 2020, nonfarm employment decreased by 3.4 percent or 71,100 jobs. Maricopa County's 2020 decrease followed similar trends as the United States and Arizona.

Maricopa County Private Sector Industry Employment, 2014-2019

Industry	Employment (2014)	Employment (2019)	Numeric Growth (2014-2019)	Annualized Percentage Growth (2014-2019)
Construction	93,670	134,121	40,451	7.4%
Education and Health Services	267,300	337,589	70,289	4.8%
Financial Activities	156,495	196,346	39,851	4.6%
Information	33,915	39,129	5,214	2.9%
Leisure and Hospitality	197,213	228,718	31,505	3.0%
Manufacturing	114,479	130,555	16,076	2.7%
Natural Resources and Mining	8,145	8,239	94	0.2%
Other Services	48,565	54,971	6,406	2.5%
Professional and Business Services	309,699	363,706	54,007	3.3%
Trade Transportation and Utilities	362,253	409,463	47,210	2.5%

NOTE: Employment reflects 4th quarter levels.

Source: Quarterly Census of Employment and Wages
Office of Economic Opportunity

- All ten private-sector industries recorded positive employment growth from 2014 to 2019, gaining a total of 311,103 jobs over this time period.
- From 2014 to 2019, employment growth was led by Construction (7.4 percent), followed by Education and Health Services (4.8 percent)
- In 2019, Trade, Transportation, and Utilities remained the industry with the largest share of employment (21.5 percent), followed by Professional and Business Services (19.1 percent).
- From 2014 to 2019, Education and Health Services had the largest numeric increase in employment, growing by 70,289 people.

Projected Area Employment, 2020-2022

Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Arizona	2,853,646	3,178,686	325,040	5.5%
Maricopa Workforce Area*	1,110,847	1,257,779	146,932	6.4%
City of Phoenix	922,090	1,023,480	101,390	5.4%
Coconino County	59,174	65,996	6,822	5.6%
Mohave and La Paz	57,939	62,658	4,719	4.0%
Northeastern Arizona	68,763	71,660	2,897	2.1%
Pima County	374,342	414,375	40,033	5.2%
Pinal County	65,394	70,725	5,331	4.0%
Santa Cruz County	13,931	15,412	1,481	5.2%
Southeastern County	52,546	55,897	3,351	3.1%
Yavapai County	65,139	71,909	6,770	5.1%
Yuma County	63,409	68,794	5,385	4.2%

NOTE: Maricopa Workforce Area includes Maricopa County excluding the City of Phoenix.

Source: Office of Economic Opportunity, Quarterly Census of Employment and Wages

- All Arizona local workforce areas are expected to record positive employment growth from 2020 to 2022.
- The Maricopa County Workforce Area is projected to grow at 6.4 percent, the highest in the state.

Maricopa Workforce Area* Projected Industry Employment, 2020-2022

Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Construction	73,167	77,710	4,543	3.1%
Education and Health Services	239,136	271,461	32,325	6.5%
Financial Activities	98,815	106,730	7,915	3.9%
Government	20,638	21,608	970	2.3%
Information	21,365	23,720	2,355	5.4%
Leisure and Hospitality	113,462	141,246	27,784	11.6%
Manufacturing	78,725	83,554	4,829	3.0%
Natural Resources and Mining	6,637	6,432	-205	-1.6%
Other Services	30,049	33,663	3,614	5.8%
Professional and Business Services	169,435	185,386	15,951	4.6%
Trade, Transportation and Utilities	212,532	252,489	39,957	9.0%

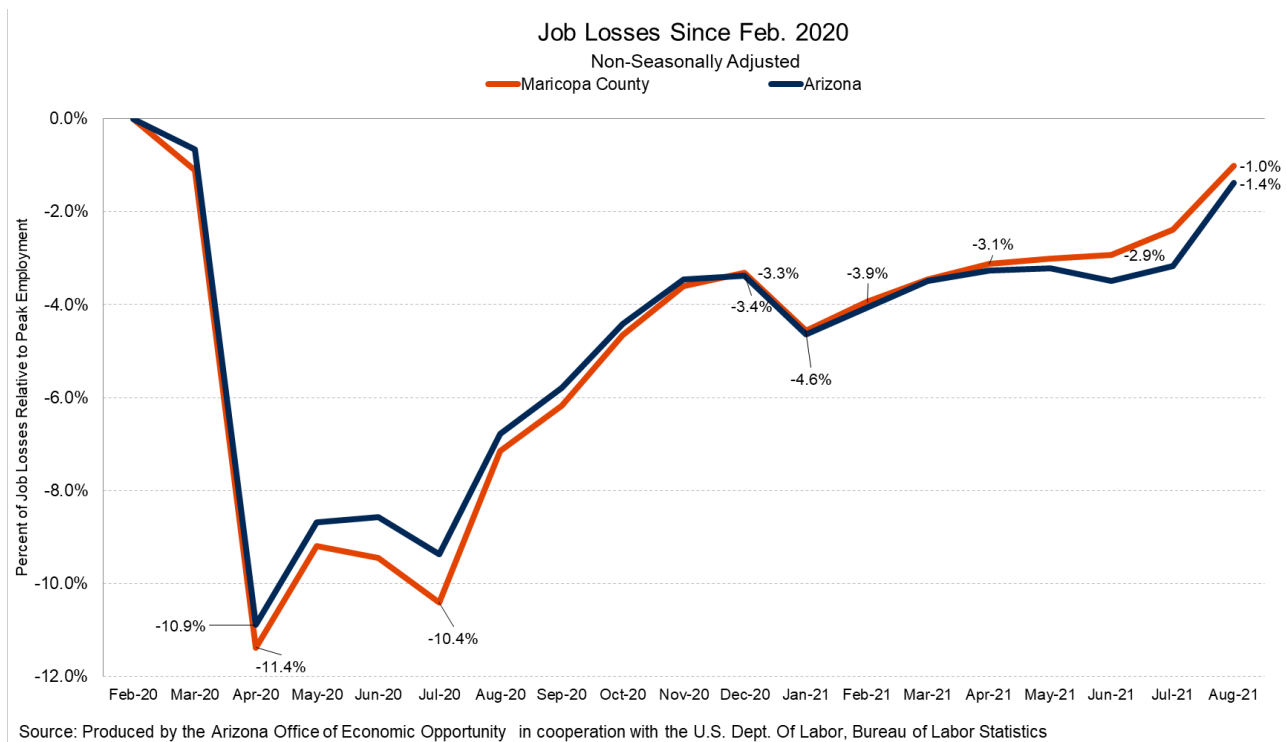
NOTE: *Maricopa Workforce Area includes Maricopa County excluding the City of Phoenix.

Source: Office of Economic Opportunity, Quarterly Census of Employment and Wages

Job skills are constantly evolving with the emergence of new technologies and changing consumer habits. Job seekers can better prepare themselves by gaining skills within industries projected to have large employment needs.

- In Maricopa County Workforce Area, Trade, Transportation, and Utilities is projected to record the largest numeric, increasing 39,957 percent through 2022.
- Natural Resources and Mining is the only industry projected to decrease through 2022.
- Education and Health Services is projected to remain the industry that employs the most people through 2022.

COVID-19 Impact on Total Nonfarm Employment – February 2020 to August 2021



- From February 2020 to April 2020, Maricopa County saw a drop in employment of 11.4 percent, similar to Arizona's drop of 10.9 percent.
- Throughout the pandemic, Maricopa County has trended closely to the statewide employment trends.
- Since June 2021, Maricopa County's employment recovery has outpaced statewide recovery. In August 2021, Maricopa County employment was 1 percent below pre-pandemic levels, and 0.4 percent above the statewide recovery rate.

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